

EXHIBIT 1.4 TO DECLARATION OF CARL M. VARADY

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Loveland Academy & PALS
 1506 Piikoi
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May 18, 2008

Attention:

File #: Loveland-PAL

Inv #: Sample

RE: Billing Dispute with DOE

| DATE | DESCRIPTION | HOURS | RATE | AMOUNT | LAWYER |
|-----------|--|-------|----------|--------|--------|
| Mar-28-02 | Settlement : prepare for and attend meeting with M. Bennett | 2.25 | \$275.00 | 618.75 | CMV |
| | Settlement : meeting with client to discuss AG's position and client's options | 1.80 | \$275.00 | 495.00 | CMV |
| Oct-15-02 | Settlement Prepare for and attend meeting with D. Farmer and Loveland Academy owner, Patty Dukes at Loveland | 2.70 | \$275.00 | 742.50 | CMV |
| Oct-23-02 | Settlement : Telephone conference(s) with H. Shikada's office re payments and lawsuit, confirm outstanding amounts review and letter from C. Butt | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : read letter from Chris Butt re outstanding payments | 0.20 | \$0.00 | 0.00 | CMV |
| Dec-19-02 | Settlement : Telephone conference(s) with H. Shikada and Telephone conference(s) with A. Schulaner re extensions of time to consider Loveland's requests before state answer due or motion filed | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-27-03 | Settlement : discuss outstanding bills with A. Schulaner and possible means of resolving dispute | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-28-03 | Settlement : provide A. Schulaner with revised billing statement and information | 0.30 | \$275.00 | 82.50 | CMV |

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| | regarding \$187.00 discrepancy re one student and request immediate payment of \$21,528.48, outstanding on six invoices | | | | |
| Feb-03-03 | Settlement : read and revise response to J. Flynn drafted by R. Hurd | 0.50 | \$275.00 | 137.50 | CMV |
| Feb-04-03 | Settlement : readraft and transmit letter for J. Flynn to R. Hurd | 0.40 | \$275.00 | 110.00 | CMV |
| Feb-11-03 | Settlement : review and discuss with client all outstanding unpaid items for purposes of demand and settlement | 1.00 | \$275.00 | 275.00 | CMV |
| Feb-15-03 | Settlement : letter updating A. Schulaner re status of payments | 0.30 | \$275.00 | 82.50 | CMV |
| Feb-17-03 | Settlement Telephone conference(s) with A. Schulaner re client's position concerning settlement and deposition schedule | 0.90 | \$275.00 | 247.50 | CMV |
| Feb-21-03 | Settlement : read and discuss with client DOE proposed settlement terms in A.Schulaner letter | 1.30 | \$275.00 | 357.50 | CMV |
| Feb-24-03 | Settlement : read and discuss with client client's response to A. Schulaner settlement proposal | 1.50 | \$275.00 | 412.50 | CMV |
| Mar-01-03 | Settlement Meeting with client to discuss Schulaner letter re proposed terms and strategy for possible settlement | 1.20 | \$275.00 | 330.00 | CMV |
| Mar-07-03 | Settlement : review totals outstanding and discuss with R. Hurd for purposes of global settlement | 0.60 | \$275.00 | 165.00 | CMV |
| | Settlement : review revise figures outstanding for global settlement and discuss with client | 0.75 | \$275.00 | 206.25 | CMV |
| Mar-09-03 | Settlement : review further revised figures regarding outstand amounts due client and discuss settlement proposal | 1.00 | \$275.00 | 275.00 | CMV |
| Mar-10-03 | Settlement Meeting with A. Schulaner to discuss possible settlement | 0.60 | \$275.00 | 165.00 | CMV |
| | Settlement : Telephone conference(s) with Loveland Academy owner, Patty Dukes | 0.60 | \$275.00 | 165.00 | CMV |

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| | Settlement : draft letter to A. Schulaner re proposal | 0.20 | \$275.00 | 55.00 | CMV |
| Mar-11-03 | Settlement : review rates schedule and proposal for settlement prepared by client | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : discuss rate schedule and outstanding settlement issues with client | 0.40 | \$275.00 | 110.00 | CMV |
| | Settlement : review current Loveland proposal and draft letter to A. Schulaner re same | 0.40 | \$275.00 | 110.00 | CMV |
| Mar-12-03 | Settlement : draft letter to A Schulaner informing him that Loveland bookeeper has carpal tunnel syndrome and uses a stamp for signature on invoices as an accommodation | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : read letter from A. Schulaner regarding use of signature stamp by bookeeper | 0.20 | \$0.00 | 0.00 | CMV |
| Mar-17-03 | Settlement Telephone conference(s) with client to discuss various aspects of settlement process and authority | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : final research and revisions to settlement conference statement | 2.10 | \$275.00 | 577.50 | CMV |
| Mar-18-03 | Settlement : Draft demand to A. Schulaner | 0.25 | \$275.00 | 68.75 | CMV |
| | Settlement : Telephone conference(s) with B. Hurd and Loveland Academy owner, Patty Dukes re settlement conference | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : review billing invoices for all districts, discuss with client and draft letter to A. Schulaner re same | 0.80 | \$275.00 | 220.00 | CMV |
| Mar-21-03 | Settlement Prepare for and attend settlement conference | 2.40 | \$275.00 | 660.00 | CMV |
| | Settlement : follow up meeting with client and R. Hurd afte settlement conference to discuss options | 1.00 | \$275.00 | 275.00 | CMV |
| | Settlement : meeting with client after settlement conference to discuss options | 1.00 | \$275.00 | 275.00 | CMV |
| Mar-24-03 | Settlement : review invoices showing DOE | 0.40 | \$275.00 | 110.00 | CMV |

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| | paid GET and write letter to A. Schulaner discussing same | | | | |
| Mar-28-03 | Settlement : read letter from client re meeting with Chris Butt and continued points of disagreement | 0.50 | \$275.00 | 137.50 | CMV |
| Mar-31-03 | Settlement : review updated outstanding amounts for settlement and discuss with client | 0.80 | \$275.00 | 220.00 | CMV |
| Apr-01-03 | Settlement Telephone conference(s) with A. Schulaner | 1.10 | \$275.00 | 302.50 | CMV |
| | Settlement : draft settlement letter to H. Shikada including proposals to settle on all disputed points | 0.80 | \$275.00 | 220.00 | CMV |
| | Settlement : Telephone conference(s) with Loveland Academy owner, Patty Dukes re settlement | 0.20 | \$0.00 | 0.00 | CMV |
| Apr-02-03 | Settlement Telephone conference(s) with client re settlement offers and affect of percentages on Loveland's viability | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : Telephone conference(s) with A. Schulaner re same | 0.70 | \$275.00 | 192.50 | CMV |
| Apr-07-03 | Settlement : Meeting with client to discuss settlement process, status of negotiations and review of outstanding bills for services | 1.40 | \$275.00 | 385.00 | CMV |
| Apr-08-03 | Settlement : draft letter re settlement conference setting | 0.20 | \$0.00 | 0.00 | CMV |
| Apr-09-03 | Settlement Meeting at Loveland with C. Butt, H. Shikada and A. Schulaner to discuss settlement and review billings for past 10 months to assess DOE's view of outstanding invoices to those of client | 2.90 | \$275.00 | 797.50 | CMV |
| | Settlement : review additional billing information and draft letter to H. Shikada re outstanding amounts for children placed by decision or IEP | 1.25 | \$275.00 | 343.75 | CMV |
| Apr-10-03 | Settlement : prepare for and attend further settlement conference | 1.80 | \$275.00 | 495.00 | CMV |
| Apr-15-03 | Settlement Telephone conference(s) with | 0.60 | \$275.00 | 165.00 | CMV |

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| | client to discuss status of settlement discussions and HIPPA and FERPA issues | | | | |
| | Settlement : review comprehensive revised totals for each child and summary for settlement conference and discuss with client | 1.80 | \$275.00 | 495.00 | CMV |
| Apr-16-03 | Settlement Draft letter to H. Shikada re settlement terms, outstanding amounts and HIPPA regulations limiting electronic disclosure, discuss with client and revise | 1.40 | \$275.00 | 385.00 | CMV |
| | Settlement : review spread sheets with billing information at length with client | 1.40 | \$275.00 | 385.00 | CMV |
| | Settlement : draft letter setting forth client's settlement position review and revise with client input | 1.60 | \$275.00 | 440.00 | CMV |
| Apr-18-03 | Settlement Telephone conference(s) with B. Hurd and Loveland Academy owner, Patty Dukes re subpoenas, protective order, settlement status | 1.00 | \$275.00 | 275.00 | CMV |
| Apr-21-03 | Settlement : draft letter to A. Schulaner updating amounts outstanding and making inquiry re representations that state no longer enforcing gag clause | 0.30 | \$275.00 | 82.50 | CMV |
| Apr-30-03 | Settlement Prepare for and attend joint settlement mediation conference | 2.10 | \$275.00 | 577.50 | CMV |
| | Settlement : meeting with client after settlement conference to discuss work plan | 0.80 | \$275.00 | 220.00 | CMV |
| May-13-03 | Settlement : read letter re settlement conference and discuss with client | 0.30 | \$0.00 | 0.00 | CMV |
| May-15-03 | Settlement Meeting with client to discuss settlement, mediation process, plan preparation mediation materials and student files, assign work of preparation and discuss current status of billing dispute and objectives, evaluate potential motion versus participation in mediation | 2.90 | \$275.00 | 797.50 | CMV |
| May-17-03 | Settlement : draft letter to court requesting appointment of mediator for client's review | 0.90 | \$275.00 | 247.50 | CMV |

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| May-19-03 | Settlement Telephone conference(s) with client and B. Hurd re letter requesting mediation and make requested revisions | 0.90 | \$275.00 | 247.50 | CMV |
| May-23-03 | Settlement : discuss revisions suggested by client with client and revise letter requesting mediator | 0.90 | \$275.00 | 247.50 | CMV |
| May-27-03 | Settlement Telephone conference(s) with A. Schulaner re status of negotiations and request for mediation | 0.30 | \$0.00 | 0.00 | CMV |
| May-28-03 | Settlement Telephone conference(s) with B. Hurd re status of negotiations, conference with A. Schulaner yesterday and plan to advance claims toward motion and mediation simultaneously | 0.50 | \$275.00 | 137.50 | CMV |
| Jun-02-03 | Settlement :read and discuss with client DOE's position statement re mediation | 0.75 | \$275.00 | 206.25 | CMV |
| Jun-06-03 | Settlement Telephone conference(s) with B. Hurd re current billing cycle and update as to outstanding amounts | 0.20 | \$0.00 | 0.00 | CMV |
| Jun-12-03 | Settlement : read letter from A. Schulaner re settlement schedule and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-13-03 | Settlement :Telephone conference(s) with with client re mediation status and new motions to be filed | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : Contact court to determine status of mediation request | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-02-03 | Settlement : read and discuss with client letter from A. Schulaner re new rates and settlement process | 0.50 | \$275.00 | 137.50 | CMV |
| Jul-05-03 | Settlement : Meeting with client to discuss mediation work plan, selection of candidates for possible motion, processes for updating billing and verifying accuracy, continuing services or closing | 2.10 | \$275.00 | 577.50 | CMV |
| | Settlement : read and discuss state's supplemental position statement re mediation and settlement | 0.30 | \$0.00 | 0.00 | CMV |
| Jul-15-03 | Settlement Telephone conference(s) | 0.20 | \$0.00 | 0.00 | CMV |

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| | with with cleint re status conference and mediation | | | | |
| Jul-21-03 | Settlement Meeting with client to discuss preparation for mediation, review proposed presentation of documents need for internal auditing prior to mediation and possibility of settlement accepting some or all of DOE terms | 1.50 | \$275.00 | 412.50 | CMV |
| | Settlement : read court's EO ordering mediation and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Jul-23-03 | Settlement Telephone conference(s) with client re mediation preparation | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-28-03 | Settlement Discuss potential mediators' styles and experience with client and draft letter to Judge Kobayahsi re same | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : review meidators' qualifications and experience and draft letter to Court re proposed mediators | 0.50 | \$275.00 | 137.50 | CMV |
| Aug-12-03 | Settlement Telephone conference(s) with potential mediators and send fax to Schulaner re D. Fairbanks | 0.50 | \$275.00 | 137.50 | CMV |
| Aug-14-03 | Settlement : draft letter to A Schulaner re S K-R payment | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : read and discuss with client state's agreement to sue David Fairbanks as mediator | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : speak with S. Levin about G K-R oustanding balance and AG interference with payment | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : draft letter to Court re mediator | 0.30 | \$0.00 | 0.00 | CMV |
| Aug-22-03 | Settlement : read and discuss state's response to S Levin outstanding invoices for G K-R | 0.50 | \$275.00 | 137.50 | CMV |
| Aug-25-03 | Settlement : read and discuss state's response to CMV letter re G K-R | 0.40 | \$275.00 | 110.00 | CMV |
| Sep-02-03 | Settlement Telephone conference(s) with Loveland Academy owner, Patty Dukes re | 0.50 | \$275.00 | 137.50 | CMV |

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| | mediation concerns and need for outside audit to add support to accuracy of invoices | | | | |
| Sep-03-03 | Settlement : Telephone conference(s) with client re benefits from audit propped by Carl Williams | 0.25 | \$275.00 | 68.75 | CMV |
| Sep-15-03 | Settlement : tc with client re pre-mediation conference and need to prepare documents requested by state and mediator | 0.40 | \$275.00 | 110.00 | CMV |
| Sep-16-03 | Settlement Telephone conference(s) with client re problems in retaining staff due to continued financial insecurity and need to obtain assurance that mediation would be productive before making financial commitment to keep Loveland running during mediation | 0.90 | \$275.00 | 247.50 | CMV |
| Sep-24-03 | Settlement : review and discuss new DOE form with client re withdrawal of student from "non-contracted" providers | 0.30 | \$275.00 | 82.50 | CMV |
| Oct-13-03 | Settlement Telephone conference(s) with Loveland Academy owner, Patty Dukes re staffing issues and continued need for secure funding during mediation, effect of closure of Loveland before mediation completed | 0.75 | \$275.00 | 206.25 | CMV |
| | Settlement Telephone conference(s) and letter to A. Schulaner re billing delays | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : tc with client re conversation with A. Schulaner re billing delays | 0.20 | \$275.00 | 55.00 | CMV |
| Nov-05-03 | Settlement : read and discuss with client letter from A. Schulaner re services provided in 1999-2002 for which Family Guidance Centers did not provide service authorizations | 0.50 | \$275.00 | 137.50 | CMV |
| Dec-05-03 | Settlement Telephone conference(s) with Loveland Academy owner, Patty Dukes re mediation conference, update on outstanding amounts and related matters | 0.80 | \$275.00 | 220.00 | CMV |
| Dec-08-03 | Settlement Telephone conference(s) with Loveland Academy owner, Patty Dukes re Schulaner letter and issues it raised, DOE | 0.30 | \$275.00 | 82.50 | CMV |

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| | request for service authorizations and related issues | | | | |
| Dec-09-03 | Settlement Telephone conference(s) with client re scheduling and mediation dates | 0.20 | \$0.00 | 0.00 | CMV |
| Jan-13-04 | Settlement : draft letter to A. Schulaner re status conferenc and state's willingness to pay for children placed by agreement but not decision | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-20-04 | Settlement Telephone conference(s) with client re case status and possible outcomes of mediation and litigationt | 0.50 | \$275.00 | 137.50 | CMV |
| Jan-21-04 | Settlement Meeting with P. Dukes to discuss mediation status and options, future business dealings with the state and need for tuition based system | 0.75 | \$275.00 | 206.25 | CMV |
| Jan-22-04 | Settlement Draft letter to S. Chang re billing for H G-M | 0.30 | \$0.00 | 0.00 | CMV |
| Feb-03-04 | Settlement : draft letter to A. Schulaner confirming settlement conference | 0.20 | \$0.00 | 0.00 | CMV |
| Feb-10-04 | Settlement Telephone conference(s) with client re payment status for H G-M | 0.20 | \$275.00 | 55.00 | CMV |
| | Settlement : Telephone conference(s) with S. Chang re H G-M billings | 0.00 | \$275.00 | 0.00 | CMV |
| Feb-12-04 | Settlement Prepare for and attend status/settlement conference | 1.40 | \$275.00 | 385.00 | CMV |
| | Settlement : Meeting with client after settlemetn conference to discuss work plan | 1.20 | \$275.00 | 330.00 | CMV |
| Mar-11-04 | Settlement Telephone conference(s) with client re litigation and settlement options | 0.70 | \$275.00 | 192.50 | CMV |
| Mar-12-04 | Settlement Draft and revise letter to Schulaner re hearing dates and possible resolution of motion without hearing | 0.75 | \$275.00 | 206.25 | CMV |
| | Settlement : confer with client re letter to Schulaner and revisions | 0.75 | \$275.00 | 206.25 | CMV |
| Mar-30-04 | Settlement : telephone conference(s) with Schulaner re settlement | 0.30 | \$275.00 | 82.50 | CMV |

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| Apr-06-04 | Settlement : Telephone conference(s) with A. Schulaner and read letter | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-08-04 | Settlement Telephone conference(s) with client re billing rates and possible settlement of all claims | 0.90 | \$275.00 | 247.50 | CMV |
| | Settlement . Telephone conference(s) with Schulaner re same | 0.40 | \$275.00 | 110.00 | CMV |
| | Settlement : review file and draft letter to A. Schulaner re settlement proposal | 1.90 | \$275.00 | 522.50 | CMV |
| | Settlement : review and discuss potential rate schedule for consideration by client re settlement | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-13-04 | Settlement Read e-mails and consult with client re same and settlement process | 0.70 | \$275.00 | 192.50 | CMV |
| | Settlement Draft letter in response to Schulaner's settlement propal | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : Telephone conference(s) with Loveland Academy owner, Patty Dukes re DOE proposal and responder | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-15-04 | Settlement : read letter from A. Schulaner re settlement conference and dicuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-18-04 | Settlement : telephone conference with client re settlement conference | 0.30 | \$275.00 | 82.50 | CMV |
| Apr-20-04 | Settlement Telephone conference(s) with A. Schulaner re discovery and possible settlement | 0.40 | \$275.00 | 110.00 | CMV |
| | Settlement : review tc with A. Schulaner with client | 0.20 | \$275.00 | 55.00 | CMV |
| | Settlement : read memo and discuss with client possiblity of interest and late fees as part of settlement | 0.50 | \$275.00 | 137.50 | CMV |
| Apr-21-04 | Settlement : read settlement proposal from A. Schulaner and discuss with client | 1.30 | \$275.00 | 357.50 | CMV |
| | Settlement : numerous telephone conferences with A. Schulaner and client re terms of settlement | 5.40 | \$275.00 | 1,485.00 | CMV |

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| Apr-22-04 | Settlement Numerous Telephone conference(s) with client re case status, settlement proposals, appeals and trial preparation | 2.60 | \$275.00 | 715.00 | CMV |
| | Settlement : Telephone conference(s) with A. Schulaner re re settlement, appeal and supersedeas bond | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : write to A. Schulaner re proposals | 1.00 | \$275.00 | 275.00 | CMV |
| | Settlement : telephone conference with J Candon re bond issue and appeal; read letter from Candon re same | 0.40 | \$275.00 | 110.00 | CMV |
| May-04-04 | Settlement Meeting with C. Nakamura | 0.60 | \$275.00 | 165.00 | CMV |
| | Settlement Prepare for and attend settlement conference | 5.25 | \$275.00 | 1,443.75 | CMV |
| | Settlement : meeting with client after settlement conference | 0.60 | \$275.00 | 165.00 | CMV |
| May-12-04 | Settlement Telephone conference(s) with client re payment status, billings, future work on placements and objectives | 0.90 | \$275.00 | 247.50 | CMV |
| | Settlement : draft letter to court re mistake in order of dismissal | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : telephone conferenc with John Candon | 0.20 | \$0.00 | 0.00 | CMV |
| May-14-04 | Settlement : read memo from Andrell Beppu re future payment process and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| May-18-04 | Settlement Meeting with client to discuss plans to resolve outstanding concerns re students currently in due process and effect of settlement agreement on same | 2.20 | \$275.00 | 605.00 | CMV |
| | Settlement : review settlement agreement and discuss with client | 2.00 | \$275.00 | 550.00 | CMV |
| May-27-04 | Settlement Review C. Nakamura suggested changes to settlement agreement | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : tc with client re settlement agreement | 0.20 | \$275.00 | 55.00 | CMV |

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| | Settlement : review suggested changes with client | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : read Schulaner letter re settlement and draft resopnse | 1.10 | \$275.00 | 302.50 | CMV |
| | Settlement : confer with client re correct rates for H G-M and draft letter to A. Schulaner re same | 0.50 | \$275.00 | 137.50 | CMV |
| May-28-04 | Settlement Review and revise settlement agreement after consultation with client | 3.00 | \$275.00 | 825.00 | CMV |
| | Settlement : draft letter to A. Schulaner re changes to settlement agreement | 0.50 | \$275.00 | 137.50 | CMV |
| Jun-02-04 | Settlement Telephone conference(s) with client and Bob Hatanaka re billing statements and settlement | 1.20 | \$275.00 | 330.00 | CMV |
| | Settlement Telephone conference(s) with client re due process hearings and their effect on settlement | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : Telephone conference(s) with A. Schulaner re unresolved settlement concerns | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-03-04 | Settlement Telephone conference(s) with client re unresolved billing issues | 0.40 | \$275.00 | 110.00 | CMV |
| | Settlement Telephone conference(s) with B. Hatanaka re billing for H G-M and M Ch | 0.20 | \$275.00 | 55.00 | CMV |
| | Settlement : review prior correspondence re H G-M and M Ch and draft letter to court re same | 0.20 | \$275.00 | 55.00 | CMV |
| | Settlement : review unpaid invoices for H G-M | 0.30 | \$0.00 | 0.00 | CMV |
| Jun-04-04 | Settlement review and revise settlement agreement | 1.80 | \$275.00 | 495.00 | CMV |
| | Settlement : meeting with client to discuss continued work plan and case status, effect of status conference on pending group of three children in due process | 2.20 | \$275.00 | 605.00 | CMV |
| | Settlement : review DOE's revisions to settlement agreement | 2.20 | \$275.00 | 605.00 | CMV |

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|-----------|--|------|----------|--------|-----|
| | Settlement : read current draft settlement agreement, consult with client and draft letter to H. Shikada in response | 1.00 | \$275.00 | 275.00 | CMV |
| Jun-09-04 | Settlement Draft letter to Judge Kobayashi re scheduling and update as to records and special master | 0.70 | \$275.00 | 192.50 | CMV |
| | Settlement : Telephone conference(s) with Loveland Academy owner, Patty Dukes re same and need for updated costs and transmittal to B. Hatanaka | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : Telephone conference(s) with K. Gurtiza re billing of initial \$250k | 0.20 | \$275.00 | 55.00 | CMV |
| | Settlement : Telephone conference(s) with B. Hatanka re status of review, balances owed and schedule | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-10-04 | Settlement Several Telephone conference(s) with CPA and client to review corrections needed for accuracy in the summaries and billing statements prior to presentation to Special Master | 1.20 | \$275.00 | 330.00 | CMV |
| | Settlement : review summaries with CPA and resolve issues regarding presentation, notation and calculations of billing data for accuracy and ease of use | 0.50 | \$275.00 | 137.50 | CMV |
| Jun-14-04 | Settlement Telephone conference(s) with client re status of settlement, CPA's work and next steps in process of appeal after Special Master makes report, need for current accounting for fees and costs | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-15-04 | Settlement Telephone conference(s) with P. Dukes re continuing process of setting cases for Due Process Hearing hearing and effect of settlement | 0.25 | \$275.00 | 68.75 | CMV |
| Jun-16-04 | Settlement Telephone conference(s) with Loveland Academy owner, Patty Dukes various students transmittal of information to J. Candon; | 0.60 | \$275.00 | 165.00 | CMV |
| | Settlement : meeting with B. Hatanka re | 1.00 | \$275.00 | 275.00 | CMV |

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| | Special Master's work and need for response to state's objections | | | | |
| | Settlement : read letter from Detor and Williams to J Candon and discuss with client | 0.60 | \$275.00 | 165.00 | CMV |
| Jun-21-04 | Settlement : read letter from J Candon re records and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-25-04 | Settlement : read J Candon request for attendance, payroll, school calendar, client service logs, attendance sheets and discuss with client | 0.70 | \$275.00 | 192.50 | CMV |
| Jul-04-04 | Settlement : read letter from J Candon requesting additional information and contact person at Loveland and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Jul-16-04 | Settlement : tc with Karen Gurtiza re billing delays and A. Beppu's response and draft letter to A. Schulaner re same | 0.60 | \$275.00 | 165.00 | CMV |
| Jul-24-04 | Settlement : read A. Schulaner response to Beppu letter and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Aug-02-04 | Settlement : meeting with J Russell to review current student roster and status | 1.25 | \$275.00 | 343.75 | CMV |
| Aug-10-04 | Settlement : review transition plan for LK that paren and Loveland were not informed of and discuss with client | 0.50 | \$275.00 | 137.50 | CMV |
| Jan-25-05 | Settlement : read J Candon letter re documents and discuss with client and CPA | 0.50 | \$275.00 | 137.50 | CMV |
| Mar-30-05 | Settlement : read letter rom B. Hatanaka re allocation issues and supporting documents and discuss with client | 0.50 | \$275.00 | 137.50 | CMV |
| Mar-31-05 | Settlement : read e-mails from B. Hatanaka and P Duke regarding allocation of settlement | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : read settlement agreement and updated billing summaries and draft letter to J Candon re continued DOE failure to pay timely full amounts for Group 1 and Group 2 students | 1.75 | \$275.00 | 481.25 | CMV |

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| | Settlement : review outstanding invoices with client in preparation for letter to J Candon | 2.20 | \$275.00 | 605.00 | CMV |
| | Settlement : draft letter to J Candon re scope of his assignment | 0.50 | \$275.00 | 137.50 | CMV |
| Apr-01-05 | Settlement : read initial response from J Candon and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-04-05 | Settlement : read supplementary response from J Candon and discuss with client and B. Hatanaka | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-06-05 | Settlement : meeting with client and CEC to discuss J Candon letter | 0.80 | \$275.00 | 220.00 | CMV |
| Apr-07-05 | Settlement : read J Candon letter re DOE meeting response and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-19-05 | Settlement : meeting with P Dukes to discuss DOE demand to observe P G-M and H G-M as condition of continued payment even though they are Group 1 | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-20-05 | Settlement : tc with client re DOE demand for visits by A. Gandy as a condition of placement/payment | 0.30 | \$275.00 | 82.50 | CMV |
| May-18-05 | Settlement : read J Candon letter and A. Schulaner response an discuss with client | 0.60 | \$275.00 | 165.00 | CMV |
| Jul-26-05 | Settlement : read and respond to e-mail from client re continued problems with payment | 0.30 | \$275.00 | 82.50 | CMV |
| Aug-29-05 | Settlement : review outstanding bills | 0.30 | \$0.00 | 0.00 | CMV |
| Feb-16-07 | Settlement : discuss response to J Candon letter and request CEC contact to reschedule after return from Mainland | 0.30 | \$0.00 | 0.00 | CMV |
| Mar-02-07 | Settlement : read letter from J. Candon in response and discuss schedule with client | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : read letter from A. Schulaner re continued status conference | 0.20 | \$0.00 | 0.00 | CMV |
| Mar-07-07 | Settlement : prepare for and attend meeting with J. Candon re outstanding issues, including request for payroll records | 1.50 | \$275.00 | 412.50 | CMV |

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|-----------|---|------|----------|--------|-----|
| Mar-14-07 | Settlement : read court's order adopting and rejecting Candon's report and discuss with client | 1.00 | \$275.00 | 275.00 | CMV |
| Mar-17-07 | Settlement : read submission of State and request for modification sent to Candon | 2.50 | \$275.00 | 687.50 | CMV |
| | Settlement : draft objection to request for modification and transmit to Candon | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-19-07 | Settlement : read staff memo from client re ongoing attempts by DOE to cut off services | 0.30 | \$0.00 | 0.00 | CMV |
| Apr-22-07 | Settlement : prepare for and attend meeting with AG and special master re records and work plan | 1.60 | \$275.00 | 440.00 | CMV |
| Jul-20-07 | Settlement : read e-mail from client re Kokubun statement that Honolulu District cannot pay and discuss with client | 0.30 | \$275.00 | 82.50 | CMV |
| Aug-02-07 | Settlement : review recent payments and discuss continued deficits with client | 0.30 | \$275.00 | 82.50 | CMV |
| Aug-03-07 | Settlement : read e-mail from client re Kokubun promises to pay and discuss with client | 0.30 | \$275.00 | 82.50 | CMV |
| Aug-20-07 | Settlement : tc with Gary Kam re outstanding balances and demand for payment; read his e-mail in response | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : tc with client re DOE response and need to resolve deficit before new school year | 0.40 | \$275.00 | 110.00 | CMV |
| Aug-31-07 | Settlement : read e-mail and discuss deficiencies and possibility of Loveland closing with client | 0.50 | \$275.00 | 137.50 | CMV |
| Sep-06-07 | Settlement : discuss with client DOE arrearage of more than \$400,000 and need for immediate payment | 0.30 | \$275.00 | 82.50 | CMV |
| | Settlement : review invoices and draft letter to A. Schulaner re deficiencies | 0.40 | \$275.00 | 110.00 | CMV |
| Sep-08-07 | Settlement : review file and prepare detailed letter to AG re deficit and effect on settlement agreement | 2.00 | \$275.00 | 550.00 | CMV |

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|-----------|--|------|----------|--------|-----|
| Sep-13-07 | Settlement : read e-mails, invoices and payments for past two weeks and discuss current status with K Gurtiza and N Drews | 1.25 | \$275.00 | 343.75 | CMV |
| Sep-14-07 | Settlement : read e-mail from client re continued DOE deficit and response | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : prepare for and attend further status conference re records | 1.00 | \$275.00 | 275.00 | CMV |
| | Settlement : tc with client re status conference | 0.40 | \$275.00 | 110.00 | CMV |
| Sep-17-07 | Settlement : numerous e-mails, telephone conferences re meeting with Special Master at Loveland tomorrow | 1.30 | \$275.00 | 357.50 | CMV |
| Sep-18-07 | Settlement : prepare for and attend meeting with J Candon, Cliff Miyashiro, A. Schulaner B Hatanaka, Carl Williams, P Dukes, Cynthia Nakamura and Loveland staff to review records and process | 2.90 | \$275.00 | 797.50 | CMV |
| Oct-31-07 | Settlement : read Candon report | 1.30 | \$275.00 | 357.50 | CMV |
| | Settlement : discuss Candon report with client and need to meet with CPAs to review | 0.60 | \$275.00 | 165.00 | CMV |
| Nov-07-07 | Settlement : meeting with P. Dukes., Cynthia Nakamura, Carl Williams and Bob Hatanaka to discuss Candon preliminary report | 2.60 | \$275.00 | 715.00 | CMV |
| Nov-08-07 | Settlement : numerous e-mails re meeting with Candon to review preliminary report | 0.50 | \$0.00 | 0.00 | CMV |
| Nov-09-07 | Settlement : read e-mail from Schulaner asking Candon to cancel meeting and read Candon response | 0.40 | \$275.00 | 110.00 | CMV |
| Nov-12-07 | Settlement : read and incorporate Nakamura changes to response to Candon | 0.75 | \$275.00 | 206.25 | CMV |
| Nov-13-07 | Settlement : read Hatanaka revisions and incorporate into response to Candon draft report | 0.30 | \$275.00 | 82.50 | CMV |
| Nov-14-07 | Settlement : prepare for and attend meeting with Candon, Miyashiro, Hatanaka, Williams, Schulaner, and Drews | 2.10 | \$275.00 | 577.50 | CMV |

to discuss preliminary report and provide
 and review documents

| | | | | | |
|-----------|---|--------|-------------|--------|-----|
| Dec-05-07 | Settlement : read final Candon report | 1.70 | \$275.00 | 467.50 | CMV |
| | Settlement : discuss final Candon report with client | 0.50 | \$275.00 | 137.50 | CMV |
| | Settlement : discuss final Candon report with B. Hatanaka | 0.25 | \$275.00 | 68.75 | CMV |
| Dec-11-07 | Settlement : meeting with client to discuss options re Candon report | 1.00 | \$275.00 | 275.00 | CMV |
| | Totals | 183.05 | \$48,798.75 | | |
| | Total Sales Tax on Fees | | 2,032.96 | | |

Total Fee & Disbursements

\$50,831.71

Balance Now Due

\$50,831.71

Total Sales Tax \$2,032.96

Carl M. Varady
 American Savings Bank Tower
 1001 Bishop Street, Suite 2870
 Honolulu, HI 96813

Ph:808/523-8447

Fax:808/523/8448

Loveland Academy & PALS
 1506 Piikoi
 Honolulu, HI
 96822

May 18, 2008

Attention:

File #: Loveland-PAL

Inv #: Sample

RE: Billing Dispute with DOE

| DATE | DESCRIPTION | HOURS | RATE | AMOUNT | LAWYER |
|-----------|---|-------|---------|--------|--------|
| Mar-14-05 | Settlement : draft letter to B. Hatanaka re resolving issues re documents requested by J Candon | 0.40 | \$80.00 | 32.00 | CC |
| Apr-06-05 | Settlement : meeting with client and CMV to discuss J Candon letter | 0.80 | \$80.00 | 64.00 | CC |
| Sep-20-05 | Settlement : discuss current status of payment with client and report to CMV | 0.60 | \$80.00 | 48.00 | CC |
| Oct-18-05 | Settlement : monthly update with client re oustanding billing issues and report to CMV | 0.75 | \$80.00 | 60.00 | CC |
| Nov-14-05 | Settlement : monthly update with client re billing issues and report to CMV | 0.50 | \$80.00 | 40.00 | CC |
| Dec-19-05 | Settlement : monthly update with client re billing issues and report to CMV | 0.40 | \$80.00 | 32.00 | CC |
| Jan-16-06 | Settlement : monthly update with client re billing issues and report to CMV | 0.50 | \$80.00 | 40.00 | CC |
| Feb-20-06 | Settlement : monthly update with client re billing issues report to CMV | 0.40 | \$80.00 | 32.00 | CC |
| Mar-16-06 | Settlement : monthly update with client re billing issues report to CMV | 0.30 | \$80.00 | 24.00 | CC |

| | | | | | |
|-------------------------|---|------|----------|-------|----|
| Apr-19-06 | Settlement : monthly update with client re billing issues report to CMV | 0.25 | \$80.00 | 20.00 | CC |
| May-22-06 | Settlement : monthly update re billing issues and report to CMV | 0.40 | \$80.00 | 32.00 | CC |
| Jun-16-06 | Settlement :monthly update re billing issues and report to CMV | 0.30 | \$80.00 | 24.00 | CC |
| Jul-25-06 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$80.00 | 24.00 | CC |
| Aug-21-06 | Settlement : monthly update with client re billing issues and report to CMV | 0.40 | \$0.00 | 0.00 | DS |
| Sep-20-06 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Oct-23-06 | Settlement : monthly update with client re billing issues and report to CMV | 0.25 | \$0.00 | 0.00 | DS |
| Nov-21-06 | Settlement monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Dec-18-06 | Settlement : monthly update with client re billing issues and report to CMV | 0.25 | \$0.00 | 0.00 | DS |
| Jan-16-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Feb-22-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Mar-20-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Apr-24-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.40 | \$0.00 | 0.00 | DS |
| May-23-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Jun-25-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$0.00 | 0.00 | DS |
| Jul-23-07 | Settlement : monthly update with client re billing issues and report to CMV | 0.30 | \$80.00 | 24.00 | DS |
| Totals | | 9.60 | \$496.00 | | |
| Total Sales Tax on Fees | | | | 20.66 | |

Total Fee & Disbursements

\$516.66

Balance Now Due

\$516.66

Total Sales Tax \$20.66